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GAMBLING COMMISSION  
COMM & LEGAL DEPT

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the )  
License to Conduct Gambling )  
Activities of: )  
)  
I'll Show You Investments, LLC )  
d/b/a Minns Club )  
East Wenatchee, Washington, )  
)  
Licensee. )  
\_\_\_\_\_ )

No. CR 2011-00240

SETTLEMENT ORDER

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GAMBLING COMMISSION  
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OAH - Tacoma

This Settlement Order is entered into between the Washington State Gambling Commission and the licensee, I'll Show You Investments, d/b/a Minns Club. H. Bruce Marvin, Assistant Attorney General, and Brenda Bono, Staff Attorney, represent the Gambling Commission. Rory Criss, owner of I'll Show You Investments, d/b/a Minns Club, represents the licensee.

I.

The Washington State Gambling Commission issued I'll Show You Investments, LLC, d/b/a Minns Club, organization number 00-21152, located at 845 Valley Mall Parkway, East Wenatchee, the following license:

Number 05-20502, Authorizing Class "D" Punchboard/Pull-tab Activity.

The license, which expires on December 31, 2011, was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on May 26, 2011. The licensee received the Notice, and on June 15, 2011, Commission staff received the licensee's request for a hearing.

III.

The following summary of facts and violations were alleged in the Notice of Administrative Charges:

I'll Show You Investments, LLC, d/b/a Minns Club, obtained its license by fraud, misrepresentation and concealment. The licensee failed to disclose two owner/substantial interest holders. The licensee also failed to disclose that certain individuals contributed investments and loans to the licensee.

RCW 9.46.075(1), (3), (7), and (8) provide the Commission may revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall

include, but not be limited to, cases wherein the licensee, or any person with any interest therein:

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(3) Has obtained a license or permit by fraud, misrepresentation, or concealment;

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the Commission;

(8) Fails to prove, by clear and convincing evidence, that it is qualified in accordance with the provisions of this chapter. RCW 9.46.153(1) provides that it shall be the affirmative responsibility of each licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

**RCW 9.46.153(1), (3), and (4)** provide that:

(1) It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted;

(3) All licensees, and persons having any interest in licensees, including but not limited to employees and agents of licensees, and other persons required to be qualified under this chapter or rules of the commission shall have a duty to inform the commission or its staff of any action or omission which they believe would constitute a violation of this chapter or rules adopted pursuant thereto. No person who so informs the Commission or the staff shall be discriminated against by an applicant or licensee because of the supplying of such information;

(4) All applicants, licensees, persons who are operators or directors thereof and persons who otherwise have a substantial interest therein shall have the continuing duty to provide any assistance or information required by the commission and to investigations conducted by the commission. If, upon issuance of a formal request to answer or produce information, evidence or testimony, any applicant, licensee or officer or director thereof or person with a substantial interest therein, refuses to comply, the applicant or licensee may be denied or revoked by the commission;

The licensee, Minns, violated gambling laws and Commission rules by failing to disclose that Shawn Minton and Chad Redick were substantial interest holders or owners of the licensee, and that Mr. and Ms. Minton contributed at least \$65,000 to the licensee between 2007 and 2008. Also, Minns had signed a promissory note with Jack Cooper, and a loan in the amount of \$14,000 that was made for the benefit of Minns to Mr. Minton and Mr. Redick. Minns obtained a license by fraud, misrepresentation, or concealment by failing to disclose that Shawn Minton and Chad Redick were owners or substantial interest holders of the licensee, and by failing to disclose the loan and the note. The licensee has failed to establish by clear and convincing evidence that it is qualified to hold a license, as required by RCW 9.46.153(1). The licensee also

failed to cooperate with the agents' investigation by instructing Mr. Redick not to speak to the agent, a violation of RCW 9.46.153 (3) and (4). Grounds exist to revoke Minns Club's license based on RCW 9.46.075 (1), (3), (7) and (8), and WAC 230-03-085 (1) and (8).

**WAC 230-03-085(1) and (8)** provide that the Commission may revoke any license or permit when the licensee, or anyone holding a substantial interest in the licensee's business or organization:

(1) Commits any act that constitutes grounds for revoking licenses or permits under RCW 9.46.075; or

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations.

The licensee violated gambling laws and Commission rules regarding disclosure of all persons holding an interest in the operation or management of its business. The licensee also poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the licensee's failure to disclose Shawn Minton and Chad Redick's ownership and/or interest in the licensee. Grounds exist to revoke Minns Club's license based on RCW 9.46.075 (1), (3), (7) and (8), and WAC 230-03-085(1) and (8).

**RCW 9.46.170** provides that whoever, in any application for a license or in any book or record required to be maintained by the Commission or in any report required to be submitted to the Commission, shall make any false or misleading statement, shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A20.021.

The licensee failed to disclose Mr. Minton's ownership interest in Minns, in violation of RCW 9.46.170. Grounds exist to revoke Minns Club's license based on RCW 9.46.075 (1), (3), (7) and (8), and WAC 230-03-085(1) and (8).

**WAC 230-03-045(1)** defines a substantial interest holder as a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.

(2) Evidence of substantial interest may include, but is not limited to:

- (a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or
- (b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity.

The licensee made false or misleading statements on its license application by failing to disclose that Shawn Minton and Chad Redick were owners or substantial interest holders of Minns. The agent found \$65,000 paid for the benefit of Minns, which came from Shawn Minton's personal insurance settlement between 2007 and 2008. Mr. Redick's interest was shown by the Cassel

loan documents and Mr. Redick's own statements. Other evidence of Mr. Minton's substantial interest came from past employees statements to agents:

- Cheryle Page, a former employee at Minns, told the agent that she believed Mr. Criss and Mr. Minton were both owners and partners in Minns. Ms. Page was present at the employee meeting where the Coopers introduced Mr. Criss and Mr. Minton as the new owners. Ms. Page also recalled an incident where Mr. Minton told the employees that he had invested his life savings in the business.
- Kim Miranda, a former employee at Minns, stated that at an employee meeting Mr. Criss told the employees to tell the Gambling Commission that Mr. Minton was not an owner, because he was a silent partner. Ms. Miranda also recalled Mr. Minton stating that all of his money was invested in Minns.
- Michael Raymer, Minns former card room manager, was told by Mr. Minton that he was a 48% owner of Minns, including the poker room. Mr. Raymer said he questioned Mr. Criss about this and that Mr. Criss confirmed the information. Mr. Criss also told Mr. Raymer that Mr. Minton was not included as an owner with the Gambling Commission, and that they had "covered their tracks" in that regard.

The licensee failed to disclose that Mr. Minton and Mr. Redick directly or indirectly owned, operated, managed, or controlled Minns, which Mr. Minton directly or indirectly profited from Minns, and that Mr. Minton had assumed liability for debts or expenditures of Minns. This conduct violated RCW 9.46.170. Grounds exist to revoke Minns Club's license based on RCW 9.46.075 (1), (3), (7) and (8), and WAC 230-03-085 (1) and (8).

**WAC 230-06-080(1) and (2) provide:**

(1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.

(2) Licensees must submit to us any new or updated documents and information, including the following:

- (b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and
- (c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

When the licensee filed its application, the licensee failed to disclose that Shawn Minton was an owner or substantial interest holder and that Mr. Minton, Mr. Cooper and Mr. Cassel had contributed significant monies to the licensee.

This conduct violated WAC 230-06-080(1) and (2). Grounds exist to revoke Minns Club's license based on RCW 9.46.075(1), (3), (7) and (8), and WAC 230-03-085(1) and (8).

IV.

I'll Show You Investments, d/b/a Minns Club, has waived their right to a hearing based on the following terms and conditions of this Settlement Order and further agrees to the following:

1) I'll Show You Investments, d/b/a Minns Club's, agrees to **surrender** their license upon signature of this Settlement Order. **The signed Settlement Order and I'll Show You Investments, d/b/a Minns Club's license must be received by Commission staff on or before July 1, 2011**, and mailed to Commission Headquarters at the following address:

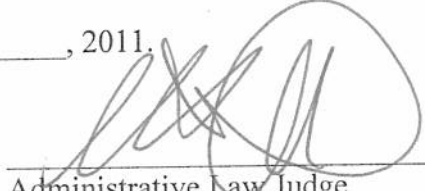
Washington State Gambling Commission  
Attention: Communications and Legal Division  
P.O. Box 42400  
Olympia, WA 98504-2400

**Or delivered** (in person or via private courier) to the following address:

Washington State Gambling Commission  
4565 7<sup>th</sup> Avenue SE; Fourth Floor  
Attention: Communications and Legal Division Lacey, WA 98503

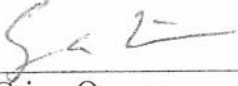
2) In the future if I'll Show You Investments, d/b/a Minns Club, applies for a gambling license, they will be subject to all the Commission's investigative procedures for processing an application for a gambling license. Furthermore, no promises or assurances have been made to I'll Show You Investments, d/b/a Minns Club that they will receive a license from the Commission should they apply.

DATED this 18<sup>th</sup> day of July, 2011.

  
\_\_\_\_\_  
Administrative Law Judge


By his signature, the licensee  
understands and accepts the terms  
and conditions of this Order

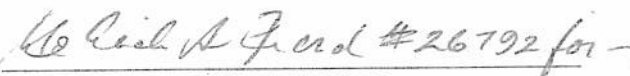
APPROVED FOR ENTRY:

  
\_\_\_\_\_  
Cory Criss, Owner  
I'll Show You Investments,  
d/b/a Minns Club, Licensee

6/28/11  
\_\_\_\_\_  
(Date)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
H. Bruce Marvin, WSBA #25152  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission

  
\_\_\_\_\_  
Brenda Bono, WSBA #29956  
Staff Attorney,  
Washington State Gambling Commission